

November 7, 2008

VIA OVERNIGHT MAIL

Received & Inspected

NOV 10 2008

FCC Mail Room

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
9300 East Hampton Drive
Capitol Heights, Maryland 20743

Re: NTS Communications, Inc.
Annual Verification of System Audit Report
Implementation of the Pay Telephone Reclassification and Compensation
Provisions of the Telecommunications Act of 1996
CC Docket No. 96-128

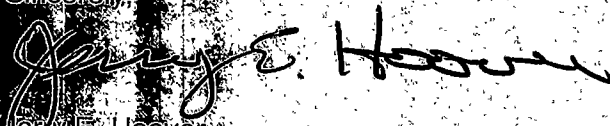
Dear Ms. Dortch:

NTS Communications, Inc. ("NTS"), by its undersigned Chief Financial Officer, hereby submits an original and four (4) copies of the document titled Independent Accountant's Report which is intended to serve as NTS' Annual Verification of System Audit Report in compliance with Section 64.1320(f) of the Commission's Rules.

Please acknowledge your receipt and filing of this document by returning the enclosed copy of this letter in the enclosed self-addressed stamped envelope.

If you have any questions concerning this matter, please contact Jerry Hoover at 806-797-0687 ext 2081 or by e-mail to jerryh@ntscom.com.

Sincerely,



Jerry E. Hoover
Chief Financial Officer and
Executive Vice President

Enc

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Independent Accountant's Report

FCC Mail Room

To the Board of Directors and Management
NTS Communications, Inc.

We have examined NTS Communications, Inc.'s compliance with the Federal Communications Commission's (FCC) requirements for call tracking and compensating Payphone Service Providers (PSP) accurately and timely during the period of July 1, 2007 through June 30, 2008. Management is responsible for NTS Communications, Inc.'s compliance with those requirements. Our responsibility is to express an opinion on NTS Communications, Inc.'s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about NTS Communications, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on NTS Communications, Inc.'s compliance with specified requirements.

In our opinion, NTS Communications, Inc. complied, in all material respects, with the aforementioned requirements for the period July 1, 2007 through June 30, 2008.

Phillips & Associates, CPA's

Phillips & Associates, CPA's
August 26, 2008

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